

DNR NEWS

Energy and Waste Management Bureau

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GASOLINE PRICES DIP, THEN RISE IN OCTOBER

DES MOINES — According to the Iowa DNR's Oct. 15, 2003 fuel price survey, gasoline prices are \$0.04 lower than one month ago, averaging \$1.55 for a gallon of self-serve, regular unleaded gasoline. Prices declined statewide to the \$1.40-range in late September, but then rose sharply to current levels in mid-October.

The price increase was due to higher-than-expected gasoline demand and tighter supplies, as many of the refineries supplying Iowa's gasoline have been producing at reduced levels while undergoing annual maintenance.

"Gasoline prices will probably remain relatively high for the next few weeks," said DNR Energy Analyst Jennifer Moehlmann. "Prices will begin to ease when refineries finish their maintenance and resume producing at normal rates, or when demand goes down to seasonal levels."

According to the Oct. 15 survey, prices across the state ranged from \$1.39 to \$1.70 per gallon and are \$0.10 higher than this time last year. Retail conventional unleaded gasoline prices in Iowa are \$0.03 higher than the national and regional averages of \$1.52 per gallon.

The average price for regular unleaded with ethanol was \$1.53 per gallon. Ethanol-blended gasoline currently represents 60.2 percent of the market share.

Crude oil finished trading on Oct. 15 at \$31.83 per barrel, \$3.70 more than last month. One year ago, crude was \$29.48 per barrel. Crude oil prices rose after OPEC announced it would cut production by 900,000 barrels per day. National crude oil inventory is at 290 million barrels, 3.8 percent higher than the previous year but only in the lower end of the normal range. The DNR expects crude oil prices to remain volatile while U.S. inventories are relatively low, with prices ranging between \$26 and \$31 per barrel.

The average price of self-serve diesel fuel on Oct. 15 was \$1.57, up \$0.05 from last month and \$0.08 higher than the regional average of \$1.49 per gallon. Diesel fuel was \$1.51 per gallon one year ago.

Propane

The Oct. 13 survey found the average retail price of propane was \$1.01 per gallon. This is \$0.05 higher than the previous month and 26 percent above the retail price of propane at this time last year (\$0.80 per gallon). Propane inventories have climbed into the normal range, but supplies in the Midwest are at the lowest level for October since 1990, supporting the higher prices. Traditionally, propane prices begin to rise in late summer, hitting their peak in late winter.

Heating Oil Prices

The Oct. 13 survey found the average retail price of No.2 heating oil was \$1.20 per gallon. This is \$0.07 higher than last month and 7 percent above the price of heating oil at this time last year (\$1.12 per gallon). United States' inventories are now in the normal range of the five-year average. Traditionally, heating oil prices begin to climb in the fall, hitting their peak in late winter.

Natural Gas

Natural gas closed at \$4.92 on Oct. 15, \$0.27 higher than last month and 20 percent higher than one year ago. Natural gas prices traditionally begin to climb in early fall, as heating demand picks up. Consumers are expected to pay 20 to 30 percent more for natural gas this winter, but that number could change if the winter is significantly colder or warmer than normal.

MOTOR FUELS SURVEY

Self-Serve	September 15	October 15	Change
Regular Unleaded	1.59	1.55	-0.04
Regular Unleaded with Ethanol	1.57	1.53	-0.04
Premium Unleaded	1.71	1.66	-0.05
Diesel	1.52	1.57	+0.05
Full-Serve	September 15	October 15	Change
Regular Unleaded	1.71	1.71	No Change
Regular Unleaded with Ethanol	1.71	1.70	-0.01
Premium Unleaded	1.90	1.85	-0.05
Diesel	1.58	1.59	+0.01

HEATING FUELS SURVEY

	September 15	October 13	Change
Propane	.96	1.01	+.05
#2 Heating Oil	1.13	1.20	+.07
Natural Gas	4.65	4.92	+.27

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	September 15	October 15	Change
Ames	1.61	1.57	-0.04
Cedar Rapids	1.52	1.49	-0.03
Council Bluffs	1.56	1.47	-0.09
Davenport	1.55	1.47	-0.08
Des Moines	1.61	1.53	-0.08
Dubuque	1.58	1.57	-0.01
Fort Dodge	1.66	1.58	-0.08
Iowa City	1.64	1.59	-0.05
Sioux City	1.52	1.54	+0.02
Waterloo	1.52	1.53	+0.01
Webster City	1.68	1.65	-0.03
Average Metro Price	1.57	1.54	-0.03

AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	September 15	October 15	Change
Northeast	1.56	1.53	-0.03
Northwest	1.62	1.57	-0.05
Southeast	1.62	1.52	-0.10
Southwest	1.59	1.57	-0.02
Rural Area Average	1.59	1.55	-0.04

WHOLESALE PRICES IN METROPOLITAN AREAS AROUND IOWA

Unleaded (cents per gallon)	September 11	October 9
Des Moines	103.31	96.47
Dubuque	103.91	97.70
Diesel Fuel (cents per gallon)	September 11	October 9
Des Moines	87.73	95.61
Dubuque	88.95	96.60